

## Historic, archived document

Do not assume content reflects current scientific knowledge, policies, or practices.











THE

# Cotton

## SITUATION

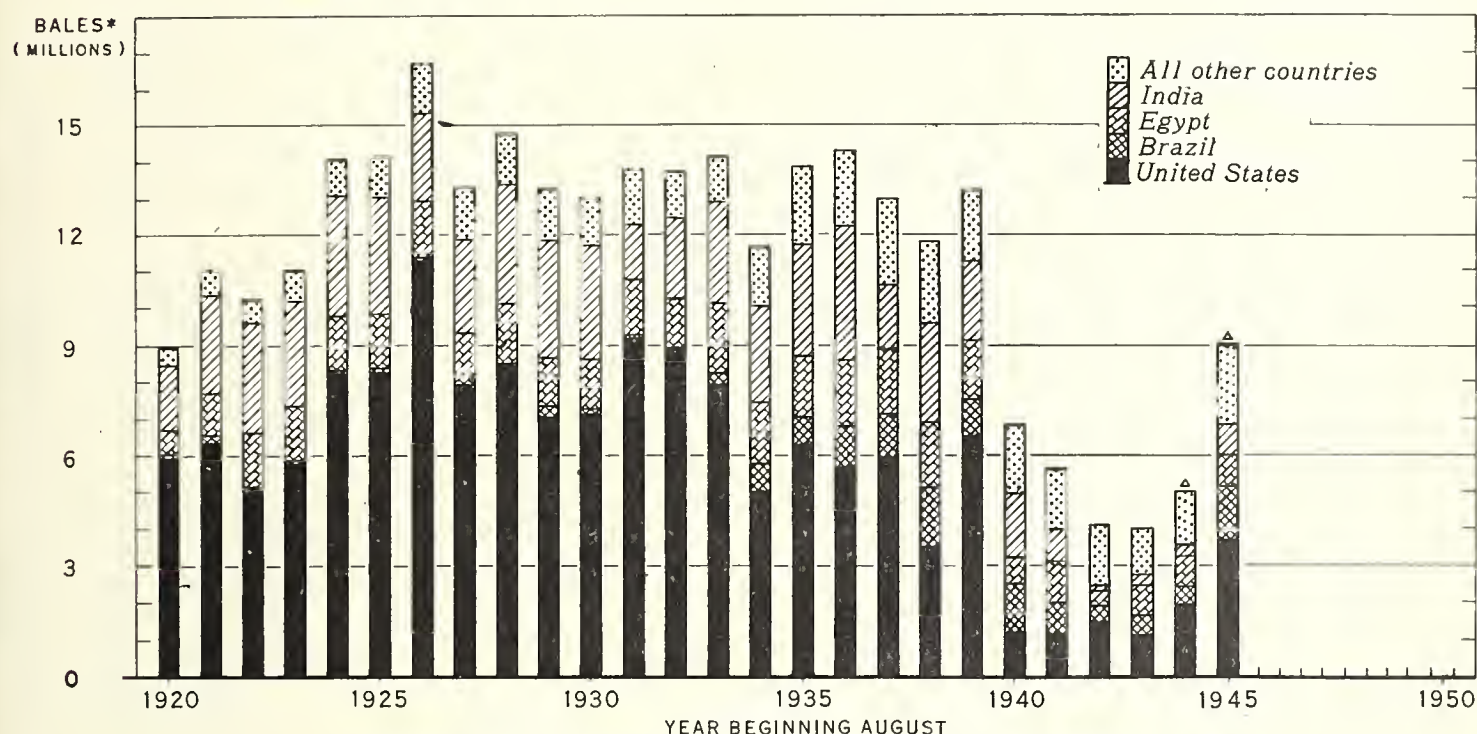
BUREAU OF AGRICULTURAL ECONOMICS  
UNITED STATES DEPARTMENT OF AGRICULTURE

CS - 114



OCTOBER 1946

### COTTON: EXPORTS FROM PRODUCING COUNTRIES, 1920-45



\*BALES OF 478 LBS. NET WEIGHT

△PRELIMINARY AND PARTLY ESTIMATED

U. S. DEPARTMENT OF AGRICULTURE

NEG. 45424

BUREAU OF AGRICULTURAL ECONOMICS

World War II and the accompanying blockade of shipping caused a number of important importing countries on the Continent of Europe, as well as Japan, to be entirely cut off from their principal sources of raw cotton. In the United Kingdom the greater importance of other kinds of industrial production resulted in a contraction of the cotton-textile industry. These factors greatly reduced the world export trade in raw cotton during the war.

World exports in 1945-46 regained about half of the reduction brought about by the war. Exports in 1946-47 may continue at about the 1945-46 level. Relatively low supplies in some of the major exporting countries and comparatively favorable stocks in relation to current consumption in importing countries, together with the relatively high cotton prices, are the chief factors that will discourage further increases in exports.

## STATISTICAL SUMMARY

Item	Unit or base period	1945		1946		Pct. of year ago
		Sept.	July	Aug.	Sept.	
Prices:						
Middling 15/16-inch, 10 markets .....	Cent	22.50	33.40	35.49	36.88	163.9
Farm, United States .....	Cent	21.72	30.83	33.55	35.30	162.5
Parity .....	Cent	21.58	24.68	25.30	24.80	114.9
Farm, percentage of parity	Percent	101	125	133	142	140.6
Premium of 1-1/8 inch over basis 1/						
Memphis .....	Point	401	188	200	189	47.1
Carolina "B" mill area ..	Point	558	328	357	382	68.5
Cloth, 17 constructions .....	Cent	44.59	58.14	60.69	63.79	143.1
Mill margin, 17 constructions	Cent	22.41	24.97	25.93	27.40	122.3
Cottonseed, farm price .....	Dollar	51.40	60.00	59.10	57.80	112.5
Cottonseed, parity .....	Dollar	39.20	44.90	46.00	45.10	115.1
Cottonseed, farm pct. of parity .....	Percent	131	134	128	128	97.7
Consumption:						
All kinds during month, total .....	1,000 bales	700.4	730.0	855.5	818.4	116.8
All kinds cumulative, total	1,000 bales	1438.9	9,166.1	855.5	1,674.0	116.3
All kinds per day, total ..	Bale	5,949	33,180	38,887	39,924	111.1
All kinds, annual rate ....	Million bales	9.0	8.5	10.0	10.2	113.3
American-Egyptian cotton, total .....	Bale	1,553	969	1,040	1,113	71.7
American-Egyptian, cumu- lative .....	Bale	3,902	19,382	1,040	2,153	55.2
Foreign cotton, total .....	Bale	11,414	19,468	22,167	20,943	183.5
Foreign cotton, cumulative	Bale	24,232	196,845	22,167	43,110	177.9
Stocks, end of month:						
Consuming establishments ...	1,000 bales	1746.0	2,282.1	2,082.7	1,956.4	112.1
Public storage and com- presses .....	1,000 bales	8306.5	4,464.5	3,834.3	4,328.5	52.1
Total 2/ .....	1,000 bales	10052.5	6,746.6	5,917.0	6,284.9	62.5
Egyptian cotton, total 2/ ..	Bale	53,454	40,577	37,738	34,108	63.8
American-Egyptian cotton, total 2/ .....	Bale	27,530	5,677	6,309	5,600	20.3
Exports 3/						
All kinds, during month ...	1,000 bales	188.2 3/	3164.5 3/	3552.7 3/	411.6 3/	218.7
All kinds, cumulative total	1,000 bales	188.2 3/	1614.9 3/	1924.4 3/	411.6 3/	218.7
Imports 3/						
All kinds during month ....	1,000 bales	14.8 3/	316.6 3/	341.7 3/	17.9 3/	120.9
All kinds cumulative total	1,000 bales	14.8 3/	186.2 3/	192.9 3/	17.9 3/	120.9
Index numbers :						
Cotton consumption .....	1935-39 = 100	138	127	149	153	110.9
Prices paid, interest, and taxes .....	1910-14 = 100	174	199	204	200	114.9

1/ Premiums for Middling 1-1/8 inch, based on near active month futures at New York.

2/ Includes only stocks in mills and public storage and at compresses.

3/ Refers to month preceding month shown in heading of table.

Compiled from official sources.



-----  
 T H E C O T T O N S I T U A T I O N  
 -----

Approved by the Outlook and Situation Board, October 30, 1946

CONTENTS

Page

SUMMARY	4
THE DOMESTIC SITUATION .....	7
1946 Crop 5 Percent Below September Estimate .....	7
Prices Drop Sharply Following September and Early October Advance .....	7
Cotton Textile Ceilings Higher for October .....	8
Consumption Continues High in September .....	8
August 1 CarryOver Improved in Staple Length but Lower in Grade than in 1944 and 1945 .....	9
1946 Crop Better in Quality and Harvesting Further Advanced than in 1945 ..	11
THE FOREIGN SITUATION .....	11
Consumption Increasing in Most War-torn Countries .....	11
United Kingdom Stocks at highest Level Since World War I .....	13
World Exports in 1945-46 Regain Half of Wartime Losses .....	13
Brazil Increasing Cotton Acreage in 1946-47 Season .....	15
TABLES	
Statistical Summary .....	2
Cotton, American Upland: Carryover on Aug. 1, by Grade and Staple Lengths, United States 1944-1946 .....	10
Cotton, All Kinds: Consumption in Specified Foreign Countries Average 1934-38, annual 1943-45 .....	13
Cotton: Exports by Countries, 1939, average 1940-44 and 1945 .....	14
Cotton American Upland: Supply and Distribution by Grade and Staple Lengths, United States 1944-46 .....	16
Cotton, American Upland, 1-1/8 inches and Longer: Production, Supply and Disappearance, United States, 1938-46 .....	17
Number of Production Workers in Cotton Manufactures (except small wares) Compared with Selected Industries, 1939 to 1945 .....	18
Number of Production Workers in Cotton Manufactures (except small wares) Compared with Selected Industries, by months, 1945-46 .....	18
Monthly Labor Turnover Rates (per 100 Employees) in Selected Industries, United States, 1939 to date .....	19

October 1946

-4-

# SUMMARY

World exports of cotton regained half their wartime losses in 1945-46. During the year ending July 31, exports from all countries totaled 9,038,000 bales of 500 pounds each. This is about 4 million bales above the average for the war period and is less than the prewar average by about the same amount. The United States exported 3.7 million bales, 41 percent of total world exports, compared with exports of 6.5 million bales or 50 percent of total exports in 1939.

Shipments from the Western Hemisphere made up about 2/3 of the total exports. The Latin American countries increased their exports in 1945 to 26 percent of the total compared with about 21 percent during the war years.

Brasil supplies 62 percent of the cotton exported from these countries. In the Eastern Hemisphere, India exported 820,000 bales in 1945 which is considerably above exports during the war but is only 37 percent of the 1939 volume. Exports from Egypt were 360,000 bales, a slight gain over the two previous years.

... In 1945-46 cotton mill consumption increased considerably in a number of the war-torn European countries. In 8 of the major textile manufacturing countries of Europe, mill consumption for the year ending July 1946 is now tentatively estimated at 3.8 million bales compared with 2.2 million in 1944 and an average of 6.7 million bales during the period 1934-38. In the United Kingdom and Germany, consumption is still considerably below prewar. The difficulty of attracting labor into textile mills under the prevailing wage scale is the chief retarding factor in the United Kingdom. In Germany, a number of factors have prevented cotton mill operation comparable with prewar. In France and Italy, a more plentiful labor supply has encouraged consumption but operations have been limited to some extent by a shortage of coal.



03-114-1  
The coal shortage, however, has indirectly increased cotton consumption since rayon which is produced from coal is not available and a number of mills have shifted to cotton. In the Far East, China and Japan, after making slow progress earlier, are now increasing consumption more rapidly.

Domestic consumption in September ran above the August level, and at an annual rate of slightly more than 10.2 million bales. With total consumption for the year at about 9 1/2 million bales and exports at 3.0 million bales, the carry-over on August 1, 1947 would be reduced to something less than 4 million bales. This would be roughly half the carry-over on August 1, 1946.

Cotton prices broke sharply following mid-October, declining from 38.45 cents to 29.20 cents (Middling 15/16" at the 10 markets) between the 15th and 29th of the month. This decline reduced prices 9.73 cents below the season's peak of 38.93 cents (October 2), which was the highest level since early August 1920, but the price on the 29th was nearly 2 cents above the 10-market parity equivalent. On the 28th and 29th, as on the 16th and 17th, prices dropped about 2 cents each day, which is the daily limit permissible for futures before trading is discontinued. On October 30th most domestic cotton markets were closed.

Unless prices increase appreciably over those prevailing October 29th, the gross returns to farmers from the 1946 crop will be much less than the approximately 1-3/4 billion dollars which had been previously estimated using the higher prices prevailing in mid-September and mid-October. Nevertheless, at late October prices gross returns still would be much larger than the prewar average.

Manufacturers' ceilings on cotton textiles effective October 1-31 were on the average about 2 cents per pound higher than those prevailing in the latter part of September. This brought the total increase on such ceilings following August 1 to approximately 23 percent. The ceilings for October were based on cotton futures quotations for the period September 8-22. With quotations for October 8-22 averaging approximately the same as for this period in September, the ceiling prices for November are unchanged.

October 1946

-6-

The 1946 cotton crop is now estimated at 8,724,000 bales of 500 lbs. gross weight as compared with 9,171,000 in September. This is the smallest crop since 1921, and compares with 9,015,000 bales for 1945 and the 1935-44 average of 12,553,000 bales. The lower estimate in October production is attributed to drought conditions that continued into September in some areas and also to low temperatures which retarded development of cotton in areas where there was considerable late planting. The greatest reduction from September estimates was made in Mississippi (150,000 bales) and is attributed to heavy weevil damage. Ginnings through September 30, 1946, averaged substantially higher in grade and longer in staple than those during the corresponding period a year earlier. Favorable weather for harvest and an improved labor supply are the chief factors to which this improvement is attributed. Ginnings to October 1, 1946, totaled 2,334,399 bales compared with 2,177,768 bales for the same date last year.

Marked improvement has occurred in the staple length of the domestic carry-over August 1 compared with (the quality of cotton) stocks on hand at the beginning of the 2 preceding years. The proportion of stocks with a staple length of 29/32" and shorter declined from about 35 percent for 1944 and 1945 to 24 percent for 1946. Stocks of 15/16" to 1" cotton made up about 1/3 of the carry-over on August 1, which is approximately the same relationship as for the two preceding years. The proportion of stocks that were of 1-1/32" and longer was greater than for earlier years.

The grade index of the 1946 carry-over is 91.7 compared with 92.5 for 1945 and the 5 year average of 94.8. This is the lowest grade index for the 18 years for which records are available. Low grade cotton has accumulated in the carry-over during the war years owing largely to unfavorable weather and delayed harvesting. A large part of such is held by CCC and is earmarked for shipment to Germany and Japan during the first half of the current season.



## THE DOMESTIC SITUATION

1946 Crop 5 Percent Below  
September Estimate

The October 8 estimate of the 1946 crop was 8,724,000 bales of 500 lbs. gross weight. This is 447,000 bales or 4.9 percent less than the September 9 estimate. The indicated production is less than any year since 1921 and compares with 9,015,000 bales produced in 1945 and the 1935-44 average of 12,553,000 bales. The indicated average yield of 235.6 pounds per acre is the smallest since 1941. Compared with the September estimate decreases in production were general throughout the Cotton Belt with Mississippi, Arkansas, and Alabama showing the greatest percentage declines. Drought which prevailed over wide area of Arkansas during August continued in September and caused premature opening. Also, low night temperatures retarded development of cotton in several of the states where adverse weather had resulted in considerable late planting. The October estimate for Mississippi is down 150,000 bales from a month earlier because of frequent rains in June and July, which resulted in greater than usual weevil damage. Excessive rains and cool weather adversely affected the crop in Alabama.

Prices Drop Sharply Following September  
and Early October Advance

Cotton prices broke sharply following mid-October, declining from 38.45 cents to 29.20 cents (Middling 15/16" at the 10 markets) between the 15th and 29th of the month. This decline reduced prices 9.73 cents below the season's peak of 38.93 cents (October 2) which was the highest level since early August 1920, and (based on Middling 7/8" quotations) was about 5 cents per pound below the post-World-War-I peak. Following the break in mid-October prices strengthened temporarily, but on the 28th and 29th, as on the 16th and 17th, dropped about 2 cents each day which is the daily limit of the decline permissible in futures quotations before trading is discontinued. As of October 29, the average Middling 15/16" price in the 10 markets was nearly 2 cents above the 10-market parity equivalent for this quality. On October 30th most domestic cotton markets were closed.

Prices farmers received for cotton averaged 37.69 cents per pound on October 15 compared with 35.30 cents on September 15 and 22.26 cents on October 15, last year. Presumably, the prices to farmers following October 15 declined about in proportion to the decline in market prices. Consequently, unless prices increase appreciably over those prevailing October 29, the gross cash returns to farmers from the 1946 crop will be much less than the approximately 1-3/4 billion dollars previously estimated using the higher lint prices prevailing in mid-September and mid-October. However, with possibly about half of the crop having been sold by October 15 and with prices of cottonseed in late October considerably higher than in mid-October, continuation of prices equal to or higher than those of October 29 would result in a much larger gross total return from the current crop than the approximate average of 0.8 billion dollars received for the crops of 1935-39.

However, the sharp drop immediately following this date will doubtless off-set most of this gain so that prices actually realized by farmers for the month of October may average about the same as for September.

Cotton Textile Ceilings  
Higher for October

On October 2 the Office of Price Administration issued revised price ceilings, raising the mill prices of cotton yarn and fabrics more than 2 cents per pound. This, together with the revised ceilings announced September 18, made a total increase in cotton textile ceilings from August 1 to the first of October of approximately 23 percent, according to the Office of Price Administration. The October increase was intended to reflect the advance in raw cotton prices following the August basing period on which the ceiling for the latter part of September issued, and are applicable for the most of October.

The Price Control Extension Act of 1946 requires that textile price ceilings reflect the parity price or the current cost of cotton, whichever is the greater. In administering the Act, the Office of Price Administration selected the period of the 8th to 22nd, inclusive, of each month, for determining the average level of cotton prices on which to base textile ceilings for the following month. The near month future prices are used for the next part in this calculation. The ceiling prices are applicable at the producer or mill level with provisions for equitable adjustments at wholesale and retail levels. For the period October 8 to 22 the average of the future quotations used in determining the price ceilings average approximately the same as in the corresponding period in September so that the manufactured textile ceilings for November which have just been announced, are the same as for October.

Consumption Continues High  
In September

Domestic mill consumption of cotton averaged 39,924 bales per day during September, the total for the month being 818,449 bales. This compares with a daily rate of 38,887 bales in August and a total consumption of 855,511 bales. Converted to an annual basis, the September rate would equal 10.2 million bales. Should total consumption for the season run at only a little less than the September rate, as is now expected, the volume of cotton available for export during the year and for working stocks would be substantially lower than was available for such purposes during the past season.

The official estimate of production of 8,570,000 running bales from the 1946 crop gives a total supply of 16 million bales of American cotton available for domestic use and export during the 1946-47 season.



Should exports for the year amount to present expectations of about 3 million bales, and total consumption amount to somewhat less than the current rate, the carry-over on August 1, 1947, would be reduced to something less than 4 million bales. This would be roughly only half of the carry-over on August 1, 1946.

August 1 Carry-over Improved in Staple Length  
But Lower in Grade than for 1944 and 1945

Marked improvement has occurred in the staple length of the domestic carry-over August 1, 1946, compared with the two preceding years. Only 24 percent of the carry-over this year was 29/32-inch staple and shorter compared with 35 to 36 percent for the two preceding seasons. (See table 1). In actual bales there were less than half as many bales of the short staples in stock August 1, 1946, as for the same date in 1944 and 1945. This improvement has resulted from a combination of factors. Production in the areas that produce a heavy proportion of the shorter staples was exceptionally low in 1945. Shipments of 362,000 bales to Japan in May, June, and July were made up of the short staples. Also, the wide discounts for low grade cotton on the domestic market has encouraged domestic consumption of such cotton. Slightly less than 3 million bales of 29/32" and shorter cotton disappeared in 1945 (domestic mill consumption and exports) compared with 1.9 million bales in 1944. However, the carry-over of short-staple cotton is still at about the level of disappearance during the war period but considerably lower than for prewar years.

Stocks of 15/16" to 1" cotton made up 33 percent of the total carry-over on August 1 which is approximately the same relationship to total stocks as for the two preceding years. The medium staples are expected to be used heavily as long as the demand for cotton goods continues strong. The carry-over on August 1 of 15/16" to 1" cotton was equal to only 54 percent of total disappearance during the previous season compared with stocks a year ago equal to 71 percent of the previous season's disappearance.

The longer staples, 1-1/32" and longer, increased in proportion to total stocks compared with the two preceding years.

The grade index of the 1946 carry-over is 91.7 compared with 92.5 for the 1945 carry-over and the 5-year average (1940-44) of 94.8. This is the lowest grade index for the 18 years for which records are available. The carry-over has deteriorated in grade during the war years mainly because of unfavorable weather conditions and other factors that resulted in delayed harvesting. This was particularly true of the 1945 crop. The low grades have accumulated in the carry-over, despite the increased consumption and export of Low Middling and lower cotton. The spread in prices between lower and higher grades has widened considerably during the war years and has encouraged the consumption of the lower grades.

A considerable part of the low grade cotton produced during the war years was acquired by the Government through loan and purchase programs. The grade index of CCC stock on August 1 is 86.3 compared with 91.6 for "free" stock and 95.0 for mill stocks. Practically all of the CCC stocks have been earmarked for export, mainly to Japan and Germany, and shipment is anticipated during the first half of the current season.

Table 1, Cotton, American Upland: Domestic carry-over on August 1  
and ratio to disappearance by grade and staple lengths,  
United States, 1944-46

Grade and staple lengths	Year beginning August 1						Ratio of carry- over to disap- pearance during previous year		
	Carry-over			Percent of Total carry-over					
	1944	1945	1946	1944	1945	1946	1944	1945	1946
	:1,000	:1,000	:1,000	Per-	Per-	Per-	Per-	Per-	Per-
	running	running	running	cent	cent	cent	cent	cent	cent
	: bales	: bales	: bales						
29/32" and shorter									
S.M. and higher	: 159	: 109	: 69	1.5	1.0	0.9	101	138	133
Middling	: 1,121	: 1,056	: 441	10.6	9.6	6.0	166	198	59
S.L.M.	: 1,575	: 1,558	: 666	15.0	14.2	9.0	220	210	55
L.M. and lower	: 997	: 1,136	: 606	9.4	10.3	8.2	199	219	62
Total	: 3,852	: 3,859	: 1,782	36.5	35.1	24.1	188	206	60
15/16" to 1"									
S.M. and higher	: 351	: 190	: 122	3.3	1.7	1.7	81	66	75
Middling	: 1,084	: 810	: 539	10.3	7.4	7.3	79	47	50
S.L.M.	: 1,268	: 1,062	: 621	12.1	9.6	8.4	76	53	39
L.M. and lower	: 1,091	: 1,384	: 1,129	10.3	12.6	15.4	132	168	69
Total	: 3,794	: 3,446	: 2,411	36.0	31.3	32.3	88	71	54
1-1/32" to 1-3/32"									
S.M. and higher	: 476	: 460	: 384	4.5	4.2	5.2	84	138	115
Middling	: 815	: 1,151	: 996	7.7	10.5	13.6	52	74	59
S.L.M.	: 702	: 993	: 718	6.6	9.0	9.8	47	55	35
L.M. and lower	: 340	: 557	: 517	3.2	5.1	7.0	82	96	77
Total	: 2,333	: 3,161	: 2,615	22.0	28.8	35.6	58	74	55
1-1/8" and longer									
S.M. and higher	: 166	: 112	: 86	1.6	1.0	1.2	105	129	159
Middling	: 224	: 236	: 275	2.1	2.1	3.7	79	174	453
S.L.M.	: 158	: 159	: 156	1.5	1.4	2.1	90	123	175
L.M. and lower	: 32	: 33	: 35	0.3	0.3	0.5	91	118	140
Total	: 580	: 540	: 552	5.5	4.8	7.5	89	142	242
Grand total	:10,559	:11,006	:7,360	100.0	100.0	100.0	96	97	59

Compiled from reports from Cotton Branch, Production and Marketing Administration.



1946 Crop Better in Quality,  
and Harvesting Further Advanced  
Than in 1945

Upland cotton ginned in the United States through September 30, 1946, averaged substantially higher in grade and longer in staple than during the corresponding period last season. Favorable harvest weather and an improved labor supply evidently are the reasons for this improvement in grade. Ginnings to October 1 this year contained about 25 percent of 15/16" through 1" compared with 37 percent last year, and the percent of 1-1/32" through 1-1/8" increased from 58 to 69 percent.

Ginnings prior to October 1 totaled 2,334,399 bales, according to the Bureau of the Census. This compares with 2,177,768 bales to the same date a year ago and 3,988,150 two years ago. The volume of ginnings is running well ahead of last year in all of the major cotton producing states except Alabama, Georgia, Louisiana and Mississippi, where the indicated total production is especially small compared with the 1945 crop. Ginnings as compared with a year earlier were particularly high in Arkansas and South Carolina.

The grade index of ginnings prior to October 1 this year was 98.4 (Middling White equals 100) as compared with 97.1 to the same date last year. The grade index of ginnings during the last half of September was 97.9 as compared with 97.4 during the same period last season. Ginnings this season contained considerably larger proportions of Strict Middling and higher, a smaller proportion of Strict Low Middling and less than half as large a percentage of Middling and lower compared with a year earlier. About 4.7 percent of ginnings prior to October 1 this year were of the Spotted grades. This is a little larger than the proportion of 4.2 percent to the same date a year ago.

The average staple length of ginnings to October 1 this season was 33.1 thirty-seconds inches. This compares with an average of 32.7 thirty-seconds for ginnings to the same date a year earlier. Two years ago the average length was 32.5 thirty-seconds inches.

About 9.5 percent of the cotton ginned through September 30, 1946, was reduced in grade because of rough preparation. This compares with 11.7 percent at the same time a year ago and with 16.5 percent two years earlier. The percentage of rough-prep cotton in ginnings during the last half of September was 11.6, as compared with 10.9 a year earlier and 9.0 in the first half of September 1946.

#### THE FOREIGN SITUATION

Consumption Increasing  
In Most War-torn Countries

A number of the war-torn countries on the continent of Europe made considerable progress during 1945-46 in the rehabilitation of their cotton textile industry. Consumption in the eight major textile manufacturing countries of Europe is estimated at 3.8 million bales for 1945-46 compared with 6.7 million bales during the prewar period 1934-38. (See table 2)

Little progress is being made in the United Kingdom mainly because of the comparatively low wage rate in the textile industry and the shortage of labor generally. Mill consumption in 1945-46 was only 1.6 million bales or about two percent more than in 1944-45, and only about 58 percent of the prewar level of 2.7 million bales. Some increase is expected for the 1946-47 season, but it is not expected to exceed 62 percent of the prewar level.

In Germany mill operations are under the supervision of the military governments of the major Allied powers. In the United States zone, where the mill capacity for 12 months running one shift is about 286,000 bales, the operating program calls for using 79,200 bales during the first half of 1946-47 and 132,000 bales during the last half of the year. However, reports for October 15 indicate that the program is behind schedule on account of limited coal supplies. For the British and French zones, latest information indicates that about 60,000 bales will be consumed in each of these zones during the 1946-47 season. This is considerably less in relation to capacity of the mills under their supervision than the estimated consumption in the U. S. Zone. Information is not available for the Russian zone. For the whole of Germany mill consumption for 1945-46 is estimated at 200,000 bales, and tentative estimates for 1946-47 are that consumption will be about 2 1/2 times the total for last year.

Almost 3/4 million bales were consumed in France in 1945-46 compared with only 105,000 bales in 1944-45, and a prewar average of 1.2 million bales. In France and Italy a number of the textile mills that previously used rayon staple fiber have shifted to cotton mainly because of the shortage of coal. The production of rayon requires 7 times as much coal per unit as does the processing of cotton yarn. Cotton consumption in Italy was 500,000 in 1945-46 compared with 93,000 in the prewar period. Consumption may reach 900,000 bales in 1946-47. The Italian mills were consuming considerably less cotton during the 1934-38 period than in earlier years, owing to governmental restrictions favoring rayon. In Spain, mill consumption was much higher than the low level in 1934-38 when mill operations were reduced because of the civil war. Consumption for the current season is expected to be slightly higher than the 1945-46 level of 351,000 bales.

Reports from the Asiatic countries are more fragmentary than those from the European countries. Consumption in China was running at approximately 2 million bales during the 1934-38 period and dropped to less than 1/4 million bales during the war. In 1945-46, consumption is estimated at 650,000 bales.

In Japan, consumption declined from an annual rate of about 3.5 million bales at the beginning of the war to about 75,000 bales in 1945-46. About 3/4 of the Japanese spindles were destroyed or made useless during the war. Consumption is expected to run at slightly less than 1 million bales in 1946.



Table 2.-Cotton, all kinds: Consumption in specified foreign countries in 1934-38, annual 1943-1945

		Year beginning August 1			
		1934-38 average:	1943	1944	1945 1/
		1,000 bales 2/	1,000 bales 2/	1,000 bales 2/	1,000 bales 2/
United Kingdom	:	2,741	1,754	1,547	1,578
Belgium	:	356	3/ 0	39	274
France	:	1,181	3/ 25	105	700
Germany	:	1,153	3/ 100	3/ 25	200
Italy	:	593	3/ 25	5	500
Netherlands	:	235	3/ 0	3/ 0	110
Spain	:	234	367	445	351
Switzerland	:	126	40	8	60
Total	:	6,719	2,311	2,174	3,773
India	:	2,642	---	3/ 4,100	4,000
Japan	:	3,441	---	100	75
China	:	2,150	---	200	650
Total	:	8,233	0	4,400	4,725

1/ Preliminary estimates.

2/ American cotton in running bales counting round bales as half bales, foreign cottons in equivalent bales of 478 lbs. net weight.

3/ Rough approximations.

Compiled from reports of the New York Cotton Exchange Service and unpublished records of the Office of Foreign Agricultural Relations.

#### United Kingdom Stocks At Highest Level Since World War I

On August 1, 1946, stocks of all kinds of cotton in the United Kingdom were slightly less than 2.0 million bales (1,949,000), the highest level since World War I. This compares with 1-3/4 million bales in stock on August 1 a year ago, 1-1/2 million bales in 1944, and about 1-1/4 million bales in 1943. In addition to stocks within the United Kingdom about 600,000 to 650,000 bales were held in storage in foreign countries on August 1 or were in some stage of transit to the United Kingdom.

The 2.0 million bales held in stocks is equal to approximately 15 months supply on the basis of the current rate of consumption. However, mills at present are running only at about 60 percent of the prewar level. Some progress is being made toward getting more of the mills operating at near capacity; however, it will be some time before the prewar level can be attained.

#### World Exports in 1945-46 Regain Half of Wartime Losses

World exports of cotton during the year ended July 31, 1946-47 are estimated at about 9,038,000 bales of 500 pounds gross weight each. This is about 4 million bales above the average for the war period (1940-44) of 5.1 million bales and is less than the prewar average (13 million bales) by about the same amount (see table 3). Shipments from the Western Hemisphere made up about 2/3 of the total exports. Shipments from the United States were 3.7 million bales (3.6 running bales) or 41 percent of the total. More than 50 percent of the total increase in world exports between the war period and 1945 crop season was made up of shipments from the United States which increased from 1.4 to 3.7 million

Table 3.- Cotton: Exports by countries, 1939, average 1940-44 and 1945

Country	1939		Year beginning August : Av. 1940-44		1945 1/	
	Actual	Percent	Actual	Percent	Actual	Percent
	: of Total :		: of Total :		: of total	
	1,000		1,000		1,000	
	bales		bales		bales	
	500 lbs.		500 lbs.		500 lbs.	
	gross		gross		gross	
	weight	percent	weight	percent	weight	percent
United States	6,501	49.1	1,376	27.1	3,478	40.7
Latin America						
Brazil	981	7.4	727	14.3	1,471	16.3
Peru	309	2.3	197	3.9	440	4.9
Mexico	26	0.2	49	1.0	263	2.9
Argentina	121	0.9	49	1.0	116	1.3
Paraguay	2/ 26	0.2	2/ 32	0.6	3/ 40	0.4
Haiti 4/	12	0.1	11	0.2	20	0.2
British West Indies 2/	5	5/	5	0.1	5	0.1
Nicaragua	5	5/	5	0.1	3/ 1	5/
Sub Total	1,487	11.2	1,075	21.2	2,356	26.1
Asia and the Orient						
India	2,188	16.5	657	13.0	820	9.1
China	3/ 240	1.8	164	3.2	0	0
Iran 6/	97	0.7	23	0.5	0	0
Turkey	26	0.2	37	0.7	0	0
Iraq 2/	11	0.1	10	0.2	0	0
Sub Total	2,562	19.3	891	17.6	820	9.1
Africa						
Egypt	1,639	12.4	760	15.0	860	9.5
Anglo-Egyptian Sudan 2/	147	1.1	236	4.6	341	3.8
Uganda and Kenya 2/	288	2.2	211	4.2	226	2.5
Tanganyika 2/	55	0.4	40	0.8	3/ 35	0.4
Nyasaland 2/	5	5/	5	0.1	3/ 7	5/
Belgian Congo 2/	164	1.2	135	2.7	171	1.9
Fr. Equatorial Africa 2/	39	0.3	63	1.2	83	0.9
French West Africa 2/	15	0.1	13	0.3	22	0.2
Nigeria 2/	21	0.2	47	0.9	5	5/
Mozambique 2/	30	0.2	60	1.2	3/ 100	1.1
Angola 2/	24	0.2	20	0.4	3/ 20	0.2
Sub Total	2,427	18.3	1,590	31.4	1,870	20.5
Other countries (partially estimated) 7/	261	2.0	140	2.7	314	3.5
World total	13,238	100.0	5,072	100.0	9,038	100.0

1/ Preliminary. 2/ Calendar year. 3/ Estimate of Office of Foreign Agricultural Relations. 4/ Year beginning October 1. 5/ Less than 0.05 percent. 6/ Year beginning March 21. 7/ Includes minor cotton-producing countries some of which would be included in the major geographic areas listed above.

Compiled from official and trade sources except as noted.



bales. Yet exports of cotton from the United States were only 57 percent as great as in 1939-40, when they made up about half of total world exports. It should be noted however, that exports in 1939-40 were about 17 percent higher than the average for the period 1935-40. The principal countries receiving U. S. cotton in 1945-46 were France (793,000 bales of 500 pounds gross weight), China (719,000 bales), Italy (515,000), Japan (365,000 bales), Canada (321,000 bales), United Kingdom (296,000 bales), Spain (161,000 bales), and Poland (104,000 bales).

Latin American countries more than doubled their exports in 1945-46 compared with the war years, but increased their percentage of the total world exports only from about 21 to 26 percent. Exports in 1945 were 2.4 million bales compared with 1.1 million bales average for the war period and 1.5 million bales in 1939. Brazil supplied 62 percent of the cotton exported from the Latin American countries.

India is the only important Asiatic country that exported cotton in 1945-46, and exports were only 820,000 bales. This is considerably above the rate of exports during the war but is only 37 percent of the 1939 volume. Production has been less than mill consumption during the past 2 years, which resulted in the Government placing embargos on further exports of the better grades of cotton (13-16" and longer) in order to protect their textile industries.

Exports of 360,000 bales from Egypt in 1945-46 showed a slight gain over the war years but were about half of the usual prewar volume. Various other countries in Africa exported a total of about 1 million bales in 1945, which was somewhat higher than total combined exports from these several countries in 1939.

#### Brazil Increasing Cotton Acreage in 1946-47 season

The acreage planted to cotton in Brazil for the 1946-47 crop season is expected to show a sharp increase compared with 1944-45 although no exact estimates are yet available. The tentative estimate of production for 1946-47 is 2.1 million bales. This would be almost 60 percent higher than the 1945-46 crop. The acreage grown in Brazil averaged slightly over 5.5 million acres during the 1935-39 period, and production averaged slightly less than 2.0 million bales. The wartime peak in acreage was reached in 1943-44 when 6.2 million acres were grown and production was reported at 2.7 million bales. The acreage declined to 6 million acres in 1944-45 and to 5 million acres in 1945-46. Production in 1945-46 is estimated at 1.4 million bales. In 1946-47 plantings are expected to approximate the 6.2 million acres grown in 1943-44.

Planting in northern Brazil except perennial tree cotton, begins in February and continues through June, and harvesting occurs at approximately the same time as in the United States. Planting in southern Brazil is done in September, October, and November, and since about 3/4 of the total acreage is grown in this locality, the greater part of the increase for 1946-47 will be in this section where planting has not been completed. Exceptionally high prices for cotton together with considerable uncertainty in the price outlook for food crops are the important factors in the increase in cotton acreage. On October 4, the spot price of type 5 cotton at Sao Paulo was 27.38 cents per pound. This is the highest price quoted for the Sao Paulo market since October 1924, and is approximately four times the average price for the 1940 crop season.

The 1946-47 crop in Egypt is estimated at 1-1/4 million bales, compared with 1.1 million bales for 1945-46.

Table 4.- Cotton, American Upland: Supply and Distribution by Grade and Staple Lengths, United States, 1944-46

Staple length and grade 1/	Year Beginning August 1.											
	1944-45				1945-46				1946-47			
	Supply				Supply				Carry-over Aug. 1			
	Carry-over	Pro-	Disap-		Carry-over Aug. 1	Pro-	Disap-		Carry-over	Govern-	Other	As a
	Aug. 1	duction	pearance	Total	Actual	duction	pearance	Total	Aug. 1	ment	Total	percentage of 1945-46 disappearance
	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	run-	run-	run-	run-	run-	run-	run-	run-	run-	run-	run-	Per-
	ning	ning	ning	ning	ning	ning	ning	ning	ning	ning	ning	cent
	bales	bales	bales	bales	bales	bales	bales	bales	bales	bales	bales	cent
29/32" and shorter												
S. M. and higher	159	29	188	79	109	138	12	121	52	5	64	133
Middling	1,121	469	1,590	534	1,056	198	135	1,191	750	103	338	59
S. L. M.	1,575	724	2,299	741	1,558	210	319	1,877	1,211	202	464	55
L.M. and lower	997	658	1,655	519	1,136	219	445	1,581	975	275	331	62
Total	3,852	1,880	5,732	1,873	3,859	206	911	4,770	2,988	585	1,197	60
15/16" - 1"												
S. M. and higher	351	127	478	288	190	66	95	285	163	2	120	75
Middling	1,084	1,448	2,532	1,722	810	47	811	1,621	1,082	25	514	50
S. L. M.	1,268	1,816	3,084	2,022	1,062	53	1,157	2,219	1,598	43	578	39
L. M. and lower	1,091	1,119	2,210	826	1,384	168	1,386	2,770	1,641	276	853	69
Total	3,794	4,510	8,304	4,858	3,446	71	3,449	6,895	4,484	346	2,065	54
1-1/32" - 1-3/32"												
S. M. and higher	476	317	793	333	460	138	259	719	335	22	362	115
Middling	815	1,901	2,716	1,565	1,151	74	1,537	2,688	1,692	49	947	59
S. L. M.	702	2,087	2,789	1,796	993	55	1,780	2,773	2,055	33	685	35
L.M. and lower	340	796	1,136	579	557	96	633	1,190	673	40	477	77
Total	2,333	5,101	7,434	4,273	3,161	74	4,209	7,370	4,755	144	2,471	55
1-1/8" and longer												
S. M. and higher	166	33	199	87	112	129	28	140	54	6	80	159
Middling	224	148	372	136	236	174	99	335	60	12	263	458
S. L. M.	158	130	288	129	159	123	86	245	89	8	148	175
L.M. and lower	32	29	61	28	33	118	27	60	25	3	32	140
Total	580	340	920	380	540	142	240	780	228	29	523	242
All lengths												
S. M. and higher	1,152	506	1,658	787	871	111	394	1,255	604	35	626	109
Middling	3,244	3,966	7,210	3,957	3,253	82	2,582	5,835	3,584	189	2,062	63
S. L. M.	3,703	4,757	8,460	4,688	3,772	80	3,342	7,114	4,953	286	1,875	44
L.M. and lower	2,460	2,602	5,062	1,952	3,110	159	2,491	5,601	3,314	594	1,693	69
Grand total	10,559	11,831	22,390	11,384	11,006	97	8,809	19,815	12,455	1,104	6,256	59

1/ Including equivalent grades.

Compiled from records and reports of the Cotton Branch, Production and Marketing Administration.



Table 5.- Cotton, American Upland, 1-1/8 inches and longer:  
Production, supply, and disappearance,  
United States, 1928-46

Year	Carry-over	Production	Supply	Disappearance
beginning	(beginning			
August 1	of season)			1/
	1,000	1,000	1,000	1,000
	running	running	running	running
	bales	bales	bales	bales
1928	491.9	685.6	1,177.5	874.6
1929	302.9	683.4	986.3	562.8
1930	423.5	456.9	880.4	505.5
1931	373.9	845.6	1,220.5	467.2
1932	753.3	712.3	1,465.6	733.5
1933	732.1	790.2	1,522.3	857.6
1934	664.7	823.0	1,487.7	990.0
1935	497.7	670.7	1,168.4	888.2
1936	280.2	908.4	1,188.6	812.2
1937	376.4	947.9	1,324.3	822.3
1938	502.0	969.6	1,471.6	702.1
1939	769.5	534.1	1,303.6	634.9
1940	668.7	646.5	1,315.1	585.3
1941	729.8	714.2	1,444.0	801.5
1942	642.5	730.1	1,372.6	637.2
1943	735.4	499.0	1,234.4	654.5
1944	580.0	340.0	920.0	380.0
1945	540.0	240.0	780.0	228.0
1946 2/	552.0			

1/ Supply less carry-over at end of season.

2/ Preliminary.

Compiled from reports of the Cotton and Fiber Branch, Production and Marketing Administration.

Table 6.—Number of Production Workers in Cotton Manufactures(except small wares) compared with Selected Industries, United States, 1939 to 1945.

Industry	1939	1940	1941	1942	1943	1944	1945 1/
	1000	1000	1000	1000	1000	1000	1000
Cotton textile manufactures (except small wares)	396	412	478	506	487	440	414
Apparel and other Finished Textile Products ...	790	796	907	939	958	885	921
Rayon and allied products .....	48	50	53	52	52	53	54
Electrical Machinery: .....	259	305	446	560	741	752	622
Shipbuilding and boat building .....	69	98	224	739	1,225	1,137	665
Explosives and safety fuses .....	7	10	27	70	91	79	72
Aircraft and parts and engines .....	49	115	268	645	1,028	959	558
Automobiles .....	402	465	570	510	714	720	590
Food .....	855	864	940	1,025	1,056	1,077	1,067
Furniture and finished lumber products .....	328	343	391	380	366	346	333

1/ Preliminary. Compiled from reports of the Bureau of Labor Statistics.

Table 7.—Number of Production Workers in Cotton Manufactures(except small wares) compared with Selected Industries, United States by specified months, 1945 and 1946

Industry	1945 (revised)				1946 (preliminary)							
	May	June	July	Aug.	Jan.	Feb.	Mar.	April	May	June	July	Aug.
	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
Cotton textile manufactures except small wares .....	411	414	409	407	429	437	442	443	443	448	445	452
Apparel and other Finished Textile Products .....	917	915	869	897	956	993	1016	1018	1013	1031	999	1049
Rayon and Allied products .....	53	54	54	53	59	60	60	59	58	58	57	57
Electrical Machinery: .....	704	691	659	640	478	348	367	445	485	501	504	520
Shipbuilding and boat building .....	784	739	691	647	249	228	219	212	193	183	175	159
Explosives and safety fuses .....	98	95	88	80	17	15	14	14	13	12	12	13
Aircraft and parts and engines .....	768	683	639	584	140	139	139	146	150	152	156	163
Automobiles .....	665	642	601	556	416	467	447	623	651	668	699	731
Food .....	1007	1029	1089	1102	1051	1045	1034	1023	1009	1017	1102	1166
Furniture and finished lumber products .....	340	341	334	330	348	355	361	366	365	374	376	388

Compiled from reports of the Bureau of Labor Statistics.



Table 8.-Monthly labor turnover rates (per 100 employees) in selected industries, United States  
1939 to date

Year and Month	Separation rates			Accession rates			Change : (accession over separation rates)		
	: Cotton : Silk and : All			: Cotton : Silk and : All			: Cotton : Silk and : All		
	manufac- tures 1/	rayon goods	manufac- tures 1/	manufac- tures 1/	rayon goods	manufac- tures 1/	manufac- tures 1/	rayon goods	manufac- tures
1939-40	4.0	4.9	3.3	4.0	3.9	4.1	0	-1.0	0.8
1940-41	4.2	4.9	3.4	6.0	5.1	5.6	1.8	0.2	2.2
1941-42	6.0	6.7	5.2	6.5	5.6	6.3	0.5	-1.1	0.9
1942-43	8.4	8.3	7.3	8.0	7.4	8.0	-0.4	-0.9	0.7
1943-44	7.7	7.0	7.1	6.8	6.4	6.5	-0.9	-0.6	-0.6
1944-45	7.1	6.2	6.8	6.7	6.0	5.7	-0.4	-0.2	-1.1
Aug.	7.8	7.5	7.8	6.4	6.8	6.3	-1.4	-0.7	-1.5
Sept.	8.2	7.2	7.6	6.8	6.5	6.1	-1.4	-0.7	-1.5
Oct.	6.8	6.1	6.4	6.8	6.4	6.0	0	0.3	-0.4
Nov.	6.4	5.6	6.0	7.1	6.3	6.1	0.7	0.7	0.1
Dec.	6.4	5.2	5.7	5.7	4.1	5.1	0.7	-1.1	-0.6
Jan.	7.2	6.1	6.2	8.5	7.0	7.0	1.3	0.9	0.8
Feb.	6.9	5.6	6.0	6.3	5.0	5.0	-0.6	-0.6	-1.0
Mar.	7.9	6.8	6.8	6.2	5.4	4.9	-1.7	-1.4	-1.9
April	7.6	6.5	6.6	6.0	5.2	4.7	-1.6	-1.3	-1.9
May	6.7	6.2	7.0	6.5	6.2	5.0	-0.2	0	-2.0
June	6.8	5.9	7.9	7.1	6.9	5.9	0.3	1.0	-2.0
July	7.0	5.7	7.7	6.9	5.9	5.8	-0.1	0.2	-1.9
1945-46	7.3	6.5	8.0	8.1	7.3	7.3	0.8	0.8	-0.7
Aug.	8.3	7.5	17.9	7.6	7.2	5.9	-0.7	-0.3	-12.0
Sept.	9.1	8.3	12.0	8.3	7.9	7.4	-0.8	-0.4	-4.6
Oct.	7.5	7.6	8.6	8.8	9.0	8.6	1.3	1.4	0
Nov.	7.0	7.4	7.1	9.1	8.8	8.7	2.1	1.4	1.6
Dec.	6.5	5.3	5.9	7.1	5.8	6.9	0.7	0.4	1.0
Jan.	7.7	6.1	6.8	10.2	8.5	8.5	2.5	2.4	1.7
Feb.	7.1	5.8	6.3	8.2	7.2	6.8	1.1	1.4	0.5
March	7.5	6.8	6.6	8.0	6.8	7.1	0.5	0	0.5
April	7.2	6.5	6.3	7.4	7.0	6.7	0.2	0.5	0.4
May	6.1	6.1	6.3	6.6	7.0	6.1	0.5	0.9	0.2
June	6.6	5.3	5.7	7.8	6.0	6.7	1.2	0.7	1.0
July 2/	7.4	5.4	5.9	7.7	6.1	7.8	0.3	0.7	1.9
Compiled from data from Bureau of Labor Statistics.				1/ Excludes small wares.			2/ Preliminary.		





